n.c. Omt. R

June 15, 1972

CONFIDENTIAL OFFICIAL INFORMAL

The Honorable William M. Rountree American Ambassador Brasilia

Dear Mr. Ambassador:

FQIA(b)(1)

I assume that your reaction was similar to our own. It seemed to us to have been highly overdone and to go considerably beyond even the information submitted in their own reports. Had I any inkling that the report was in preparation, I think we might have been able to modify ore forestall it, but it came as a complete surprise to us. As soon as I saw it, I tried to get it stopped, but it was too late.

One of the problems on this issue

I have had some comments from the business community here in the States and, of course, there are the public statements of the President, including his March 31 speech. Nevertheless, I have been called on to brief people on the matter on a couple of occasions, including a memo for Charlie Meyer as long ago as May 12. Similarly, I had to write something for Secretary Connally about it. Needless to say, I did not take the alarmist point of view that the report follows.

Since this is such a sensitive issue in terms of continuing confidence in Brazilian development in this country, I think that if you agree the report was overdone, it might be helpful to balance it by some kind of statement of the situation as the Embassy sees it. There might be some point in pegging it to the Connally visit, but that would not be necessary.

I have discussed the matter in some detail with Jerry Goldstein while he was here.

FOIA(b)(1) FOIA(b)(3) - 50 USC 403g - CIA Sincerely,

Stephen Low Director Office of Brazilian Affairs

*Intelligence Memo No. 2039-72

June 5 - Brazil: the Politics of Economic Priorities

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